

Gradual Prohibition of Riba



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Table of Contents

About the Author	4
Meaning of <i>Riba</i>	5
Types of <i>Riba</i>	5
Islamic Ruling on <i>Riba</i>	6
Catastrophic Effects of <i>Riba</i>	7
Phases of Prohibiting Riba	11
Gradual Stages of Prohibiting Riba	11
First Stage:.....	11
Second Stage:.....	12
Third Stage:	13
Fourth Stage:.....	14
A Final Word.....	18



Gradual Approach in Prohibiting Riba

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About the Author

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PART 1

Meaning of *Riba*

Lexically, the word *riba* means excess, increase, augmentation, expansion or growth.

Maulana Mawdudi defines *riba* as “a predetermined excess or surplus over and above the loan received by the creditor conditionally in relation to a specified period.”^[1]

On the exact meaning as well as relation between *riba* and interest, Sheikh Kahf states,

Riba is defined with regard to financial transactions as any contractual increment in a loan or debt due to the time element. This is exactly what we know today as interest. Both legally and financially, interest is defined as an increment paid by the debtor to the creditor for granting a loan or for extending the maturity of an existing debt.^[2]

Types of *Riba*

There are two distinguishable types of *riba*: ^[3]

1. *Riba al-nasi'ah*: It occurs when the specified increase is in return for the delay of, or waiting for, the payment.
2. *Riba al-fadl*: It occurs when the increase is mentioned irrespective of the postponement and is not offset by something in return.



Islamic Ruling on *Riba*

As far as Islamic *shari`ah* is concerned, *riba* is condemned and prohibited in the strongest possible terms. This prohibition cannot be questioned or undermined in any way.

Allah Almighty says in the Ever-Glorious Qur'an,

{... whereas Allah permits trading and forbids usury (*riba*)}. (Al-Baqarah 2:275) ,

{Allah has blighted usury ...}. (Al-Baqarah 2: 276) and,

{O you who believe! Observe your duty to Allah, and give up what remains (due to you) from usury, if you are (in truth) believers. And if you do not, then be warned of war (against you) from Allah and His messenger.}. (Al-Baqarah 2: 278-9)

Kahf comments on the last verse as saying, “No other sin is prohibited in the Qur'an with a notice of war from Allah and His Messenger!”^[4] Surely, this shows how grave the sin of getting involved in usurious transactions is in the sight of Allah and His Messenger.

Ibn `Abbas said that, “{Then be warned of war (against you)} means, ‘Be sure of a war from Allah and His Messenger.’ He also said, “On the Day of Resurrection, those who eat *riba* will be told, ‘take up arms for war.’ He then recited, {And if you do not, then be warned of war (against you) from Allah and His messenger.}. (Al-Baqarah 2: 279)”^[5]

In the same vein, the Prophet's *Sunnah* is abundant in *hadiths* that declare *riba* as unlawful as well as abhorred. To cite a few:

The Prophet (peace be upon him) said, “The wrath of Allah is on the taker of *riba*, its giver, its writer, and its two witnesses.”^[6]



On the day of *Fat-h Makkah* (i.e., the opening of Makkah) the Prophet said, “All forms of *riba* during the time of *jahiliyyah* (pre-Islamic period of ignorance) is annulled and under my feet, and the first *riba* I annul is the *riba* of al-`Abbas (the Prophet’s uncle).”^[7]

Ibn Majah reported that abu Hurayrah said that the Messenger of Allah (peace be upon him) said, “*Ribais* seventy types, the least of which is equal to one having sexual intercourse with his mother.”^[8]

Ibn Mas`ud narrated that the Messenger of Allah (peace be upon him) said, “May Allah curse whoever consumes *riba*, whoever pays *riba*, the two who are witnesses to it, and the scribe who records it.”^[9]

It is also worthy of note that the wisdom behind the prohibition of *riba* is the elimination of injustice and the call for human brotherhood and cooperation. This will be clearly shown throughout the following lines.

Catastrophic Effects of Riba

No one can deny the atrocities and catastrophes *riba* has brought to humanity both in the past and at present. The latest global financial crisis is a good example on this as attested to by financial specialists and economists from different backgrounds. Some Western as well as other countries still feel the pressure of that crisis from which their economies have not yet fully recovered.

To use Daryabadi’s eloquent words, “The devastating propensities of usury are visible to every eye. The evils attendant on it are neither few nor far between – the callousness it engenders, the profligacy it lets



loose, the greed it encourages, the jealousy it breeds, the misery it entails, the abjectness it inculcates, and so on.”^[10] Part of the wisdom behind the prohibition of *riba* – as hinted to earlier – is to fight all these injustices and more.

Moreover, “In the language of modern socialism, interest is an unjustifiable tax on the laboring classes, the unpaid wage of the laborer.” Accordingly, those who have abundance lend money and that money returns to them to increase that abundance, the increase being the unpaid dues of labor, which are the only source of legitimate wealth – “the rich are thus made richer and the poor poorer, by every fresh act of taking interest, and the stability of the social organism is thus disturbed.”^[11]

Therefore, Islam clearly and decisively declares *riba* as unlawful, absolutely and unconditionally.

Let us take a look at the ancient civilizations to see their stand on *riba*. Greece and Rome both groaned heavily under *riba*’s yoke, but none of their legislators, like the economists of modern Europe, thought of banning it altogether. In Greece, ‘the bulk of the population became gradually indebted to the rich to such an extent that they were practically slaves’, and ‘usury had given all the power of the state to a small plutocracy.’ The Romans were nothing but worse than the Greek. “The attempt to regulate the rate of interest utterly failed. In the course of two or three centuries the small free farmers were utterly destroyed. By the pressure of war and taxes they were all driven into debt, and debt ended practically, if not technically, in slavery.”^[12]

Daryabadi further continues,



With all these horrors experienced and patiently borne, nobody ventured to eradicate the evil root and branch. The utmost that a Solon[13] among the ancients or a Bacon[14] among the moderns could advise to ‘grind the tooth of usury, that it bite not too much, that is to say, to regulate its rate, without attaching the slightest moral taint to the usurer’.

The Bible went no doubt many steps further inasmuch as it forbade the advance of usurious loans to the Israelites (Ex. 22: 25: DT. 23: 19). But even the Biblical prohibition did not include usurious loans to non-Israelites. It is the Ever-Glorious Qur’an which, to its everlasting glory, has categorically forbidden usury in all its forms.[15]

Even the people of *jahiliyyah* understood the fact that Allah is Good and does not accept but what is good and thus upon rebuilding the Ka`bah before Prophet Muhammad (peace be upon him) was sent as Prophet, one of them, namely Abu Wahb ibn `Amr said,

“O Quraysh! Do not let into this building anything but lawful gains; so no harlotry, *riba*, nor unjust practices [should be included].”[16]

Notes:

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- [1] Mawdudi, Abul A`la. *Interest*, Vol. 1, p. 33.
- [2] Kahf, Monzer. *Objectives of Shari`ah in the Prohibition of Riba: Implications for Modern Islamic Finance*. Published by www.onislam.net
- [3] Ali, Engku. *Riba and Its Prohibition in Islam*, ISUM; They can be translated into English as, “Delay usury” and “Excess usury,” respectively as mentioned in Rawwas, Muhammad & Sidiq, Hamid (n.d.). *Mu`jam Lughat al-Fuqahaa`* (Lexicon of the Language of Jurists). First Edition. Dar An-Nafa'is, Beirut, Lebanon.
- [4] Kahf, *Objectives of Shari`ah in the Prohibition of Riba*.
- [5] At-Tabari, M. Ibn Jarir. *Tafsir At-Tabari*. Dar Al-Ma`arif, Egypt.
- [6] Al Albani. *Al-Jami` Al-Sahih*, Hadith No. 5089.
- [7] Sahih Muslim.
- [8] Sunan Ibn Majah.
- [9] Sahih Al-Bukhari.
- [10] Daryabadi, Abdul Majid. *The Glorious Qur'an: Text, Translation & Commentary*. The Islamic Foundation, 2002, UK.
- [11] Ibid.
- [12] The *Encyclopedia Britannica*. XXVII. p. 812, 11th Ed.; as quoted in Daryabadi.
- [13] Solon (638?-559? B.C.), Athenian lawgiver and poet. His reforms preserved a class system based on wealth but ended privilege by birth.
- [14] Bacon, Francis (1561-1626), English philosopher, essayist, courtier, jurist, and statesman.
- [15] Adapted from Daryabadi.
- [16] *Sirat Ibn Hisham* (Biography of the Prophet). Abridged by Abdus-Salam Harun. Al-Falah Foundation for Translation, Publication & Distribution. Egypt, 2000. P. 29.

PART 2

Phases of Prohibiting Riba

In Part One of this study, I explored the meaning of *riba* (interest or usury) and its ruling in Islamic Shari`ah. I also elaborated the catastrophes and atrocities of *riba*. Here, I would study the gradual stages of prohibiting *riba* in Islamic legislation.

Gradual Stages of Prohibiting Riba

The prohibition of *riba* went through several stages just as those of the prohibition of drinking intoxicants in a way or another.

First Stage:

This stage started with the revelation of the Makkan Qur'anic verse in *surat ar-Rum* whose meaning is rendered into English as,

{That which you give in usury in order that it may increase on (other) people's property has no increase with Allah; but that which you give in charity, seeking Allah's countenance, has increase manifold}. (Ar-Rum 30: 39)

Apparently, this is a direct advice that *riba* has no profits or gains with Allah. The verse came in the context of speaking about sustenance and recommendation of spending on relatives, the poor, and wayfarers. This shows the ethical, moral, and social dimension of the issue. According to Qur'an commentators, this verse applies to those who give to others gifts or services to receive from them greater benefits in return. Such seemingly good acts are meritless and deserve no reward from Allah, since He knows the real intention behind such allegedly good deeds.

Basically, *riba* is prohibited for the principle that “any profit which we should seek should be through our own exertion and at our own expense, not through exploiting other people or at their expense.”[1] However, as Muslims, we are asked to go beyond the mere act of avoiding what is wrong. We are enjoined to love our community in a practical manner; that is to spend of our own resources in the service of those who are in need. We should also have the belief that our reward is with Allah the Almighty Who will surely multiply it for us even more than what we do deserve because He is the Most-Generous.

Finally, the aim behind the verse is the “awakening of the live souls,” addressing the people who have not been aware so far that such gain from usury is to be interdicted.[2]

Second Stage:

Then, two Madinian verses in *surat an-Nisa'* were revealed; these verses tackled one aspect of the story of the Jews and how they were condemned for taking *riba* when they were forbidden from taking it. The verses may mean in English,

{Because of the wrongdoing of the Jews We forbade them good things which were (before) made lawful unto them, and because of their much hindering from Allah's way. And of their taking usury when they were forbidden it, and of their devouring people's wealth by false pretences. We have prepared for those of them who disbelieve a painful doom}.
(An-Nisa' 4: 160-161)

Ibn Kathir said, “Allah states that because of the injustice and transgression of the Jews, demonstrated by committing major sins, He prohibited some of the lawful, pure things which were previously allowed for them.” In addition, “Allah prohibited them from taking *riba*,



yet they did so using various kinds of tricks, ploys and cons, thus devouring people's property unjustly.”[3]

The second verse is seen by many scholars as prohibiting *riba*, though some understood it as referring to the Jews and their taking of *riba*; a matter which – to them – leaves it unclear if such a prohibition applies to Muslims as well. However, in this verse a stronger expression is used, i.e., ‘take’ instead of ‘give’ which is used in the preceding verse in *surat ar-Rum*. As a linguist, I understand this as to connote the graduation in prohibition.

Third Stage:

Then the following Madinian Qura’nic verses were revealed and they may mean in English,

{O you who believe! Devour not usury, doubling and quadrupling (the sum lent). Observe your duty to Allah, that you may be successful. And ward off (from yourselves) the Fire prepared for disbelievers. And obey Allah and the Messenger, that you may find mercy}. (Aal ‘Imran 3: 130-132)

Commenting on the topic of *riba*, Daryabadi says,

The Arabic word is but partially covered by the English word *usury* which, in modern parlance, signifies only an exorbitant or extortionate interest. The Arabic expression *al-Riba*, on the other hand, means any addition, however slight, over and above the principal sum lent, and this includes both usury and interest.[4]

This means that any excess on the capital is *riba* (interest). There is no distinction in Islam in so far as prohibition is concerned, between low and high rates of interest.



In the above verses, Allah prohibits the believers from dealing with *riba* and from devouring the property of others through illegal means as they used to do during the pre-Islamic period. For instance, if the debtor asks for deferring a loan, the creditor would require interest and this would occur year after year until the little capital becomes multiplied many times. Also, Allah commands the believers to have piety in their hearts so that they may be successful in this life and the Hereafter. The believers are also threatened with Hell-fire and are warned against it in clear words.

In short, these verses enjoin the believers to keep away from *riba* if they desire their own welfare.

It is also worthy of note that there is a graduation in the strength of the word used in these verses, i.e., ‘devour’. In the verse in *surat* ar-Rum, the word “**give**” was used, then in the *surat* an-Nisa’ the word “**take**” was used, and here in *surat* Aal ‘Imran the word “**devour**” is used. Surely, the connotations as well as denotations of each of these words cannot be ignored by anyone who knows Arabic and appreciates the rhetorical inimitability of the Ever-Glorious Qur’an to the extent that makes one realize the fact that each and every word in the Qur’an is intended and no other word can replace it in its own context!

Fourth Stage:

Finally, four verses of *surat* al-Baqarah were revealed declaring the absolute and strict prohibition of *riba* in Islam. These verses may mean in English,

{Those who swallow usury cannot rise up save as he arises whom the devil has prostrated by (his) touch. That is because they say: ‘Trade is just like usury; whereas Allah permits trading and forbids usury. He unto whom an admonition from his Lord comes, and (he) refrains (in



obedience thereto), he shall keep (the profits of) that which is past, and his affair (henceforth) is with Allah. As for him who returns (to usury) such are rightful owners of the Fire. They will abide therein. Allah has blighted usury and made alms giving fruitful. Allah loves not the impious and guilty}. (Al-Baqarah 2: 275-276)

{O you who believe! Observe your duty to Allah, and give up what remains (due to you) from usury, if you are (in truth) believers}. (Al-Baqarah 2: 278)

{And if you do not, then be warned of war (against you) from Allah and His Messenger. And if you repent, then you have your principal (without interest). Wrong not, and you shall not be wronged}. (Al-Baqarah 2: 279)

The above verses are seen as categorically forbidding *riba* of all forms and rates as ordained by Islam. They came in the context of speaking about spending in the Cause of Allah, giving in charity, abolishing differences between the rich and the poor through forbidding extravagance, and declaring *riba* as one of the means of blocking the institution of spending in the Cause of Allah. All these confirm the ethical dimension behind the prohibition of *riba* as well as the social and integral dimension among members of the Muslim community.

Verse 275 means, on the Day of Resurrection, these people will get up from their graves just as the person afflicted by insanity or possessed by a demon would. This is understood from the *hadith* by ibn `Abbas which reads, “On the Day of Resurrection, those who consume *riba* will be resurrected while insane and suffering from seizures.”

In the same vein, al-Bukhari recorded that Samurah ibn Jundub said in the *hadith* about the dream that the Prophet (peace be on him) had, “We reached a river -the narrator said, ‘I thought he said that the river was as red as blood’- and found that a man was swimming in the river, and on its bank there was another man standing with a large collection of stones



next to him. The man in the river would swim, then come to the man who had collected the stones and open his mouth, and the other man would throw a stone in his mouth.”

The interpretation of this dream was that the person in the river was one who consumed *riba*.

Also, these Qur’anic verses show the difference between trading and *riba* and states that Allah has permitted trade and forbidden *riba*. The reason behind this can be learned from the following words, “Whereas legitimate trade or industry increases the prosperity and stability of men and nations, a dependence on usury would merely encourage a race of idlers, cruel blood-suckers, and worthless fellows who do not know their own good and therefore akin to madmen.”[5]

Verse 276 shows that Allah does not bless *riba* and that He increases charity. This can be also understood from the *hadith* of ibn Mas’ud which reads, “*Riba* will end up with loss, even if it was substantial.”[6]

And the *hadith* narrated by al-Bukhari that reads, abu Hurayrah said that the Messenger of Allah (peace be on him) said, “Whoever gives in charity what equals a date from lawful resources, and Allah only accepts that which is good and pure, then Allah accepts it with His right (Hand) and raises it for its giver, just as one of you raises his animal, until it becomes as big as a mountain.”[7]

**It was out of Allah’s
Mercy and Wisdom
– which were also
taught to His
Messenger (peace be
on him) – that the
application of
change came**

Finally, the above verses reproached those taking *riba*; they established a clear distinction between trading and *riba*; they required Muslims to terminate all forms of *riba*, instructing them to take only the principal sum of the debt, and abstain from taking even the principal money in case the debtor is in difficulty.

gradually and that gradation was one of the objectives and key characteristics during the Prophet's life.

A Final Word

One of the Laws of Allah in natural disposition of man is the difficulty of change especially with things one is accustomed to and feels familiar with. Before Islam, the Companions of the Prophet (peace be on him) acquired habits that became part and parcel of their own lives. Islam came with morals and rulings that are contrary to some of these habits. It was out of Allah's Mercy and Wisdom – which were also taught to His Messenger (peace be on him) – that the application of change came gradually and that gradation was one of the objectives and key characteristics during the Prophet's life.

Examples of gradual approach Islamic legislation include the gradation in prohibiting intoxicants and *riba* as well as the abolishment of slavery step by step and through a deliberate systematic mechanism that led eventually to the complete avoidance and total submission to the Ordinance of Allah and His Messenger without the slightest inclination to return to the same state of affairs as was before Islam.

Notes:

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- [1] *The Holy Qur'an: English Translation of the Meanings and Commentary*. King Fahd Holy Qur'an Printing Complex. Saudi Arabia.
- [2] Hamoud, Sami Hassan. *Islamic Banking*. Arabian Information, London, 1985, p. 66.
- [3] Al-Mubarakpuri, Safiur-Rahman (2000). *Tafsir Ibn Kathir: Abridged*. Dar-u-ssalam Publications, Riyadh.
- [4] Daryabadi, Abdul Majid. *The Glorious Qur'an: Text, Translation & Commentary*. The Islamic Foundation, 2002, UK.
- [5] *The Holy Qur'an: English Translation of the Meanings and Commentary*.
- [6] Imam Ahmed's *Musnad*.
- [7] *Sahih Al-Bukhari: The Book of Zakah*.